

## Message Text

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41

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 075918

R 011824Z OCT 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 3308

INFO AMEMBASSY ISLAMABAD

AMEMBASSY OTTAWA

AMEMBASSY NEW DELHI

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 16114

EXDIS

E.O. 11652: GDS

TAGS: TECH, IAEA, GW, PK

SUBJECT: FRG HEAVY WATER PLANT SALE TO PAKISTAN

REF: A. IAEA VIENNA 8078; B. STATE 230683;  
C. IAEA VIENNA 8191; D. VIENNA 8107; E. STATE 221593;  
F. BONN 15439; G. USBERLIN 1924.

1. SUMMARY: LOOSCH CONFIRMED INFORMATION REPORTED  
REF A BUT WAS EITHER UNABLE OR UNWILLING TO PROVIDE  
ADDITIONAL TECHNICAL DATA. HE ASKED RATIONALE BEHIND  
US INTEREST IN TYPE OF PLANT, FOR EXAMPLE, AND  
ARGUED THAT USG SHOULD BE SATISFIED WITH ASSURANCES  
THAT ADEQUATE SAFEGUARDS WILL BE DEMANDED AS PRE-  
CONDITION FOR GERMAN SALE TO PAKISTAN. EMBASSY  
S&T COUNSELOR HOPES TO DISCUSS THIS TOPIC WITH  
APPROPRIATE USG OFFICIALS DURING OCT. 6-8 VISIT  
TO WASHINGTON. END SUMMARY.

2. EMBASSY S&T COUNSELOR CALLED ON LOOSCH TO  
FOLLOW UP REF. A REPORT AS REQUESTED REF. B.  
LOOSCH CONFIRMED ALL REF. A DATA. HOWEVER, HE  
EXPLAINED THAT HE DID NOT KNOW THE TYPE OF PLANT  
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AND OTHER TECHNICAL DATA, ALTHOUGH HE BELIEVED IT

WOULD BE ASSOCIATED WITH AMMONIA PRODUCTION.

3. LOOSCH THEN QUESTIONED US NEED FOR SUCH POSSIBLY COMMERCIALLY-SENSITIVE DATA. HE AGREED THAT US AND FRG SHOULD CONTINUE CLOSE AND CONFIDENTIAL CONSULTATIONS ON SAFEGUARDS. IN HIS OPINION, HOWEVER, THESE CONSULTATIONS WOULD NOT REQUIRE THE EXCHANGE OF SENSITIVE INFORMATION WHICH COULD CAUSE "DIFFICULTIES".

4. EMBOFF NOTED CONSENSUS FAVORING INCLUSION OF HEAVY WATER PLANTS ON SAFEGUARDS TRIGGER LIST AND ALSO EMPHASIZED THAT KEY QUESTION OF SAFEGUARDS ON TECHNOLOGY REQUIRED CONSIDERATION OF THE PROCESSES TO BE USED IN THE NUCLEAR FACILITIES SUPPLIED. LOOSCH REVIEWED FRG SAFEGUARD PHILOSOPHIES POINTING OUT THAT MOST PROBABLE SOLUTION TO THIS DIFFICULT PROBLEM WOULD FOLLOW PATTERN ESTABLISHED BY FRENCH IN THEIR TRILATERAL WITH IAEA AND SOUTH KOREA. IF USE OF TECHNOLOGY TRANSFERRED TRIGGERS SAFEGUARDS, I.E. ON ALL NEW FACILITIES BUILT TO THE SAME DESIGN BY THE RECIPIENT COUNTRY, IT WILL PROBABLY BE NECESSARY ONLY TO DEFINE OR DESCRIBE THE TRANSFERRED TECHNOLOGY IN SOME SUITABLY GENERAL -- BUT NOT ALL INCLUSIVE -- PHRASEOLOGY FOR THIS PURPOSE. IN THIS MODEL, FOR EXAMPLE, THE RECIPIENT COUNTRY MIGHT AGREE THAT ALL "HEAVY WATER PLANTS" BUILT WITHIN A CERTAIN PERIOD OF TIME SUBSEQUENT TO THE RECEIPT OF HEAVY WATER PRODUCTION TECHNOLOGY WOULD BE SUBJECT TO SAFEGUARDS. IF SO, LOOSCH ARGUED THAT THIS CONCEPT WOULD NOT RPT NOT REQUIRE EVEN CONFIDENTIAL CONSULTATIONS ABOUT COMMERCIALLY-SENSITIVE TECHNOLOGICAL DETAIL. HE CONCLUDED BY ASKING EMBOFF TO REVIEW REASONS WHY US DESIRED THESE TECHNICAL DATA DURING FORTHCOMING VISIT TO US (OCT. 6-8) AND DISCUSS THIS WITH HIM AGAIN IN PERSON.

5. LOOSCH EXPLAINED THAT FRG HAD NOT RECEIVED A DIRECT REPLY TO ITS LETTER TO PAKISTAN ABOUT SAFE-CONFIDENTIAL

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GUARDS MEASURES. MUNIR KHAN HAD EXPRESSED "PERSONAL" VIEW THAT THERE WOULD BE NO PROBLEM IN ACCEPTING IAEA SAFEGUARDS. HOWEVER, IN IAEA BG MEETING, KHAN HAD ATTACKED FRENCH TRILATERAL WITH SOUTH KOREA. AFTER THIS "UNHAPPY INTERLUDE", FRG WAS NOT SO CERTAIN THAT A SATISFACTORY SAFEGUARDS ARRANGEMENT COULD BE WORKED OUT, BECAUSE FRG FAVORS THIS FRENCH CONCEPT FOR SAFEGUARDS ON TECHNOLOGY.

6. LOOSCH PROFESSED IGNORANCE OF GERMAN EFFORTS TO

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

----- 075847

R 011824Z OCT 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 3309

INFO AMEMBASSY ISLAMABAD

AMEMBASSY OTTAWA

AMEMBASSY NEW DELHI

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 02 OF 02 BONN 16114

EXDIS

SELL HEAVY WATER PLANTS TO OTHER COUNTRIES. HE STATES POSITIVELY THAT PAKISTAN EXPORT NEGOTIATIONS WERE THE ONLY TRANSACTION NOW UNDER CONSIDERATION BY FRG GOVERNMENT, BUT NOTES THAT HE COULD NOT EXCLUDE POSSIBILITY THAT OTHER DEALS WERE UNDER DISCUSSION AMONG INDUSTRIAL REPRESENTATIVES. EMBOFF DID NOT, OF COURSE, MENTION REF. E REPORT, BUT RECALLED MANY US-FRG CONSULTATIONS ABOUT GERMAN HEAVY WATER PLANTS AND COMPONENT SALES TO INDIA (SEE REFS F AND G FOR LATEST CABLES). LOOSCH OFFERED NO USEFUL COMMENT.

7. EMBASSY COMMENT. AS DEPARTMENT AWARE, OFFICIALS OF FRG MINISTRY FOR RESEARCH AND TECHNOLOGY HAVE ALWAYS BEEN RELUCTANT TO EXPOSE POSSIBLY COMMERCIAL-SENSITIVE DETAILS OF THEIR NUCLEAR SALES EFFORTS (BRAZIL IS A RECENT CASE IN POINT). THE FRG FOREIGN OFFICE HAS ALWAYS PROVIDED A BETTER CONTACT FOR SAFEGUARDS CONSULTATIONS. WE ASSUME, FOR EXAMPLE, THAT LOOSCH JUSTIFIES HIS OFFICIAL "IGNORANCE" OF THE LIBYAN NEGOTIATION BY THE RATIONALIZATION THAT THE

GOVERNMENT INTERVENED TO BLOCK THE DEAL BEFORE IT  
CAME OFFICIALLY TO GOVERNMENT'S ATTENTION, AS IMPLIED  
BY REF D. EMBASSY S&T COUNSELOR WILL DISCUSS THIS  
TOPIC DURING OCT. 6-8 VISIT TO WASHINGTON AND WILL  
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FOLLOW-UP WITH OTHER APPROPRIATE GERMAN OFFICIALS.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, NUCLEAR AGREEMENTS, HEAVY WATER, NUCLEAR SAFEGUARDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 OCT 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
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**Disposition Comment:** 25 YEAR REVIEW  
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Margaret P. Grafeld  
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**Subject:** FRG HEAVY WATER PLANT SALE TO PAKISTAN  
**TAGS:** TECH, GE, PK, US, IAEA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006